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U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

Solicitation No: 111-02-003  
Issuance Date: October 29, 2001  
Closing Date: December 21, 2001  
Closing Time: 16:00 Yerevan time

Subject: Request for Applications (RFA) Number 111-02-003 Partnership for Accounting Reform and Development (PARD)

The United States Agency for International Development (USAID) is seeking applications for an Assistance Agreement from an organization/ consortium for funding a program for Partnership for Accounting Reform and Development (PARD). The authority for the RFA is found in the Foreign Assistance Act of 1961, as amended.

The Recipient will be responsible for ensuring achievement of the program objective to establish a sustainable partnership. Please refer to the Program Description for a complete statement of goals and expected results.

Pursuant to 22 CFR 226.81, it is USAID policy not to award profit under assistance instruments. However, all reasonable, allocable, and allowable expenses, both direct and indirect, which are related to the grant program and are in accordance with applicable cost standards (22 CFR 226, OMB Circular A-122 for non-profit organization, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for-profit organizations), may be paid under the grant.

Subject to the availability of funds, USAID intends to provide approximately \$1,700,000.00 in total USAID funding to be allocated over the 2 year period. USAID reserves the right to fund any or none of the applications submitted.

For the purposes of this program, this RFA is being issued and consists of this cover letter and the following:

1. Section A - Grant Application Format;
2. Section B - Selection Criteria;
3. Section C - Program Description;
4. Section D - Certifications, Assurances, and Other Statements< of Applicant/Grantee;
5. Cooperative Agreement Formats

For the purposes of this RFA, the term "Grant" is synonymous with "Cooperative Agreement"; "Grantee" is synonymous with "Recipient"; and "Grant Officer" is synonymous with "Agreement Officer".

If you decide to submit an application, it should be received by the closing date and time indicated at the top of this cover letter at the place designated below for receipt of applications. Applications and modifications thereof shall be submitted in envelopes with the name and address of the applicant and RFA #111-02-003 inscribed thereon, to:

(By U.S. Mail)

Attn: Mr. Armen Yeghiazarian

Executive Office  
18, Marshall Baghramian Ave.  
Armen Yeghiazarian  
Yerevan 375019, Armenia

(By All Other Means of Delivery)

Attn: Mr. Armen Yeghiazarian  
Executive Office  
Armen Yeghiazarian  
18, Marshall Baghramian Ave.  
Yerevan 375019, Armenia

Applicants are requested to submit both technical and cost portions of their applications in separate volumes. Award will be made to that responsible applicant(s) whose application(s) offers the greatest value.

Issuance of this RFA does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and submission of an application. Further, the Government reserves the right to reject any or all applications received. In addition, final award of any resultant grant(s) cannot be made until funds have been fully appropriated, allocated, and committed through internal USAID procedures. While it is anticipated that these procedures will be successfully completed, potential applicants are hereby notified of these requirements and conditions for award.

Applications are submitted at the risk of the applicant; should circumstances prevent award of a cooperative agreement, all preparation and submission costs are at the applicant's expense.

The preferred method of distribution of USAID procurement information is via the Internet. This RFA and any future amendments can be downloaded from the Agency Web Site. The World Wide Web Address is <http://www.usaid.gov>. Select Business and Procurement from the home page, then "USAID Procurements". On the following screen, select "Download Available USAID Solicitations". Receipt of this RFA through INTERNET must be confirmed by written notification to the contact person noted below. It is the responsibility of the recipient of the application document to ensure that it has been received from INTERNET in its entirety and USAID bears no responsibility for data errors resulting from transmission or conversion processes.

In the event of an inconsistency between the documents comprising this RFA, it shall be resolved by the following descending order of precedence:

- (a) Section II - Selection Criteria;
- (b) Section I - Grant Application Format;
- (c) the Program Description;
- (d) This Cover Letter.

Any questions concerning this RFA should be submitted in writing to Armen Yeghiazarian, via facsimile at (3741) 543-871 or via internet at [ayeghiazarian@usaid.gov](mailto:ayeghiazarian@usaid.gov). If there are problems in downloading the RFA off the INTERNET, please contact the USAID INTERNET Coordinator on (202) 712-4442. Applicants should retain for their records one copy of all enclosures which accompany their application.

Sincerely,

Armen Yeghiazarian  
Acquisition Specialist  
USAID/Armenia



<b>Table of Contents</b>	<b>Page</b>
<b>SECTION A - GRANT APPLICATION FORMAT.....</b>	<b>A-6</b>
PREPARATION GUIDELINES.....	A-6
COST APPLICATION FORMAT .....	A-6
<b>SECTION B - SELECTION CRITERIA.....</b>	<b>A-12</b>
<b>SECTION C - PROGRAM DESCRIPTION .....</b>	<b>A-14</b>
<b>SECTION D .....</b>	<b>A-23</b>
PART I - CERTIFICATIONS AND ASSURANCES .....	A-23
PART II - OTHER STATEMENTS OF RECIPIENT .....	A-29
CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS .....	A-32
KEY INDIVIDUAL CERTIFICATION NARCOTICS OFFENSES AND DRUG TRAFFICKING .....	A-35
PARTICIPANT CERTIFICATION NARCOTICS OFFENSES AND DRUG TRAFFICKING.....	A-36

## **SECTION A - GRANT APPLICATION FORMAT**

### **PREPARATION GUIDELINES**

All applications received by the deadline will be reviewed for responsiveness to the specifications outlined in these guidelines and the application format. Section II addresses the technical evaluation procedures for the applications. Applications which are submitted late or are incomplete run the risk of not being considered in the review process.

Applications shall be submitted in two separate parts: (a) technical and (b) cost or business application. Technical portions of applications should be submitted in an original and two copies and cost portions of applications in an original and one copy.

The application should be prepared according to the structural format set forth below. Applications must be submitted no later than the date and time indicated on the cover page of this RFA, to the location indicated on page 3 of the cover letter accompanying this RFA.

Technical applications should be specific, complete and presented concisely. The applications should demonstrate the applicant's capabilities and expertise with respect to achieving the goals of this program. The applications should take into account the technical evaluation criteria found in Section II.

Applicants should retain for their records one copy of the application and all enclosures which accompany their application. Erasures or other changes must be initialed by the person signing the application. To facilitate the competitive review of the applications, USAID will consider only applications conforming to the format prescribed below.

### **COST APPLICATION FORMAT**

The Cost or Business Application is to be submitted under separate cover from the technical application. Certain documents are required to be submitted by an applicant in order for an Grant Officer to make a determination of responsibility. However, it is USAID policy not to burden applicants with undue reporting requirements if that information is readily available through other sources.

The following sections describe the documentation that applicants for Assistance award must submit to USAID prior to award. While there is no page limit for this portion, applicants are encouraged to be as concise as possible, but still provide the necessary detail to address the following:

A. A copy of the program description that was detailed in the applicants program description, on a 3-1/2" diskette, formatted in Word97.

B. Include a budget with an accompanying budget narrative which provides in detail the total costs for implementation of the program your organization is proposing. The budget should be submitted using Standard Form 424 and 424A which can be downloaded from the USAID web site, [http://www.usaid.gov/procurement\\_bus\\_opp/procurement/forms/sf424/](http://www.usaid.gov/procurement_bus_opp/procurement/forms/sf424/);

- the breakdown of all costs associated with the program according to costs of, if applicable, headquarters, regional and/or country offices;
- the breakdown of all costs according to each partner organization involved in the program;
- the costs associated with external, expatriate technical assistance and those associated with local in-country technical assistance;

- the breakdown of the financial and in-kind contributions of all organizations involved in implementing this Cooperative Agreement;

- potential contributions of non-USAID or private commercial donors to this Cooperative Agreement;

- your procurement plan for commodities (note that contraceptives and other health commodities will not be provided under this Cooperative Agreement).

C. A current Negotiated Indirect Cost Rate Agreement;

D. Required certifications and representations (as attached):

E. There is no recommended percent for the cost share. Applicants that provide higher amounts of cost share will be evaluated more favorably.

F. Applicants who do not currently have a Negotiated Indirect Cost Rate Agreement (NICRA) from their cognizant agency shall also submit the following information:

1. copies of the applicant's financial reports for the previous 3-year period, which have been audited by a certified public accountant or other auditor satisfactory to USAID;

2. projected budget, cash flow and organizational chart;

3. A copy of the organization's accounting manual.

G. Applicants should submit any additional evidence of responsibility deemed necessary for the Grant Officer to make a determination of responsibility. The information submitted should substantiate that the Applicant:

1. Has adequate financial resources or the ability to obtain such resources as required during the performance of the award.

2. Has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant, nongovernmental and governmental.

3. Has a satisfactory record of performance. Past relevant unsatisfactory performance is ordinarily sufficient to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance.

4. Has a satisfactory record of integrity and business ethics; and

5. Is otherwise qualified and eligible to receive a grant under applicable laws and regulations (e.g., EEO).

H. Applicants that have never received a grant, cooperative agreement or contract from the U.S. Government are required to submit a copy of their accounting manual. If a copy has already been submitted to the U.S. Government, the applicant should advise which Federal Office has a copy.

In addition to the aforementioned guidelines, the applicant is requested to take note of the following:

I. Unnecessarily Elaborate Applications - Unnecessarily elaborate brochures or other presentations beyond those sufficient to present a complete and effective application in response to this RFA are not desired and may be construed as an indication of the applicant's lack of cost consciousness. Elaborate art work, expensive paper and bindings, and expensive visual and other presentation aids are neither necessary nor wanted.

J. Acknowledgement of Amendments to the RFA - Applicants shall acknowledge receipt of any amendment to this RFA by signing and returning the amendment. The Government must receive the acknowledgement by the time specified for receipt of applications.

K. Receipt of Applications - Applications must be received at the place designated and by the date and time specified in the cover letter of this RFA.

L. Submission of Applications:

1. Applications and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the Cover Letter of this RFA, and (2) showing the time specified for receipt, the RFA number, and the name and address of the applicant.

2. Telegraphic applications will not be considered; however, applications may be modified by written or telegraphic notice, if that notice is received by the time specified for receipt of applications.

M. Preparation of Applications:

1. Applicants are expected to review, understand, and comply with all aspects of this RFA. Failure to do so will be at the applicant's risk.

2. Each applicant shall furnish the information required by this RFA. The applicant shall sign the application and print or type its name on the Cover Page of the technical and cost applications. Erasures or other changes must be initialed by the person signing the application. Applications signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the issuing office.

3. Applicants who include data that they do not want disclosed to the public for any purpose or used by the U.S. Government except for evaluation purposes, should:

(a) Mark the title page with the following legend:

"This application includes data that shall not be disclosed outside the U.S. Government and shall not be duplicated, used, or disclosed - in whole or in part - for any purpose other than to evaluate this application. If, however, a grant is awarded to this applicant as a result of - or in connection with - the submission of this data, the U.S. Government shall have the right to duplicate, use, or disclose the data to the extent provided in the resulting grant. This restriction does not limit the U.S. Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets [number]; and

(b) Mark each sheet of data it wishes to restrict with the following legend:

"Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this application."

N. Explanation to Prospective Applicants - Any prospective applicant desiring an explanation or interpretation of this RFA must request it in writing within three weeks of receipt of the application to allow a reply to reach all prospective applicants before the submission of their applications. Oral explanations or instructions given before award of a Grant will not be binding. Any information given to a prospective applicant concerning this RFA will be furnished promptly to all other prospective applicants as an amendment of this RFA, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective applicants.

O. Grant Award:

1. The Government may award one or more Grants resulting from this RFA to the responsible applicant(s) whose application(s) conforming to this RFA offers the greatest value (see also Section II of this RFA). The Government may (a) reject any or all applications, (b) accept other than the lowest cost application, (c) accept more than one application (see



Section III, Selection Criteria), (d) accept alternate applications, and (e) waive informalities and minor irregularities in applications received.

2. The Government may award one or more Grant(s) on the basis of initial applications received, without discussions. Therefore, each initial application should contain the applicant's best terms from a cost and technical standpoint.

3. A written award mailed or otherwise furnished to the successful applicant(s) within the time for acceptance specified either in the application(s) or in this RFA (whichever is later) shall result in a binding Grant without further action by either party. Before the application's specified expiration time, the Government may accept an application, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an application do not constitute a rejection or counteroffer by the Government.

4. Neither financial data submitted with an application nor representations concerning facilities or financing, will form a part of the resulting Grant(s).

P. Authority to Obligate the Government - The Grant Officer is the only individual who may legally commit the Government to the expenditure of public funds. No costs chargeable to the proposed Grant may be incurred before receipt of either a fully executed Grant or a specific, written authorization from the Grant Officer.

## **TECHNICAL APPLICATION FORMAT**

### **1. General Information**

- a. The technical application will be the most important item of consideration in selection for award of the Agreement. It shall be specific, complete, and presented concisely. Applicants shall review all information in this RFA in depth prior to preparing applications.
- b. To assess the applicant's capabilities, commitment and administrative management capacity to implement the type of activities described in this program description and to evaluate their specific plans for implementing this activity, applicants are requested to provide all relevant information.
- c. The technical application must set forth in detail the conceptual approach, methodology, and techniques for the accomplishment of the stated objectives. It must have a definitive workplan for achieving program goals. The program must define results and benchmarks for monitoring progress in achieving the results. A draft internal monitoring and evaluation plan must be included as well as a sustainability plan. Coordination with external USAID monitoring will be particularly important.
- d. Whereas the RFA (in Section I "Program Description") has described the goals and anticipated results for the full life of the program, the applicant must propose an overall strategy covering the life of the program (2 years) with an action plan and timeline on how they plan to achieve goals and results and indicate how they plan to measure performance.
- e. Applications will be evaluated based upon the level of achievement proposed and the realism of the plan for reaching that level of achievement. Recipient performance will be evaluated against the standards proposed by the applicant and accepted by the Government, so well documented realism in the statement of these program objectives is essential.
- f. It is recommended that an applicant studies the selection/evaluation criteria outlined in Section III of the RFA and organizes its application accordingly.
- g. The applicant will discuss how resources will be organized to obtain anticipated results. The applicant must discuss fully the "what" and the "how" of its plan. The purpose of this approach is to allow the applicant greater creative freedom to develop a plan for resource organization and use.

## 2. Technical Application Contents

The Technical Plan shall be concise and shall not exceed fifteen (15) pages. Personnel resumes and past performance references are excluded from this page limitation. The Technical Plan should include the information specified in paragraphs a - e, below.

### a. Technical Approach

(1) **Implementation Plan and Activity Outline** addressing the following areas:

- (A) General strategy and specific approach;
- (B) Phasing of proposed activities;
- (C) Proposed partnerships;
- (D) In-country training;
- (E) Supervision support;
- (F) Materials production;
- (G) Research/special studies.
- (H) Process for identifying activities

(2) **timetables**, detailing anticipated results, targets and performance indicators.

(3) **Monitoring and Evaluation plan**, including **performance indicators**, to measure and report on the recipient's progress towards achieving the proposed results in accordance with the proposed timetable.

### b. Personnel Proposed

Specify the composition and organization structure of the entire implementation team (including home office support) and describe each staff member's role, technical expertise and estimated amount of time each will devote to the project. Indicate the names and provide resumes of all-important managerial and technical personnel to be assigned to this program activity.

### c. Organizational Capability

Applicants must offer evidence of their technical resources and expertise in addressing grants administration, program management, and experience (if any). Care shall be taken to establish the relevance of past experience to this program and the basis for reliance upon that experience as an indicator of success on this program. Information in this section should include (but is not limited to) the following:

- (1) Brief description of organizational history/expertise;
- (2) Pertinent work experience and representative accomplishments in developing and implementing programs of the type required under the proposed RFA;
- (3) Relevant experience with proposed approaches;
- (4) Institutional strength as represented by breadth and depth of experienced personnel in project relevant disciplines/areas;
- (5) Sub-recipient capabilities and expertise;
- (6) Proposed field management structure and financial controls;
- (7) Home-Office Backstopping;
- (8) Speed with which start-up can be undertaken

d. Past Performance References

Applications must include a complete list of all U.S. Governmental and/or privately funded contracts, grants, cooperative agreements, etc. received by your organization in the last three fiscal years involving programs similar to the program proposed in your application. Include the following for each award listed:

- (1) Name of awarding organization or agency
- (2) Address of awarding organization or agency
- (3) Place of performance of services or program
- (4) Award number
- (5) Amount of award
- (6) Term of award (begin and end dates of services/program)
- (7) Name, current telephone number, current fax number, and Internet address  
(if one is available) of a responsible technical representative of that organization or agency
- (8) Brief description of the program

END OF SECTION A

## SECTION B - SELECTION CRITERIA

The criteria presented below have been tailored to the requirements of this particular RFA. Applicants should note that these criteria serve to: (a) identify the significant matters which applicants should address in their applications and (b) set the standard against which all applications will be evaluated. To facilitate the review of applications, applicants should organize the narrative sections of their applications in the same order as the selection criteria.

The technical applications will be evaluated in accordance with the Technical Evaluation Criteria set forth below. Thereafter, the cost application of all applicants submitting a technically acceptable application will be opened and costs will be evaluated for general reasonableness, allowability, and allocability. To the extent that they are necessary (if award is made based on initial applications), negotiations will then be conducted with all applicants whose application, after discussion and negotiation, has a reasonable chance of being selected for award. Awards will be made to responsible applicants whose applications offer the greatest value, cost and other factors considered.

Awards will be made based on the ranking of proposals according to the technical selection criteria identified below.

### 1. Mandatory Criteria

The lead applicant should have the ability to create linkages with professional audit/accounting associations that have verifiable memberships of 25,000 or more; or demonstrated ability to mobilize a membership base of 25,000 or more to implement partnership activities. It must have an established presence. Applicants must satisfy this criterion to be eligible for further consideration.

### 2. Evaluation Criteria

Applications will be evaluated based on criteria set below with a total possible score of **100 points**.

#### **Technical Evaluation Criteria** **80 points**

##### **1. Proposed Approach and Strategies (30 points)**

- a) Workplan for implementing activities.
- b) Innovative program design and approaches.
- c) Expressed interest and motivation for establishing a partnership.
- d) Exit strategy.
- e) Proposed performance monitoring plan.

##### **2. Institutional Capability and Experience (20 points)**

- a) Demonstrated ability in implementing similar programs that have achieved effectiveness, scale, depth of outreach and desirable levels of behavioral change.
- b) Quality of service and cost control. This includes consistency in meeting goals and targets, cooperation and effectiveness in fixing problems, adherence to schedules, and accuracy in financial reporting that meets USAID reporting and accountability requirements.
- c) Demonstrated past performance of good organizational and management practices. Established procedures for managing assistance activities with USAID and/or other donors.

##### **3. Human Resources (30 points)**

- a) Technical and managerial qualifications and experience of the proposed personnel, and the appropriateness of their technical training and experience. This includes host country employees and partners.
- b) Appropriate utilization of local host country resources.
- c) Knowledge and demonstrated experience and ability to understand and work collaboratively in Armenia or in countries with similar cultures and environment.

**Cost Evaluation Criteria 20 points**

**1. Effectiveness and reasonableness of total estimated cost**

**15 points**

Demonstrated ability to minimize recurrent costs and maximize cost-effectiveness. Maximizing the percentage of the costs allocated to program delivery as compared to administrative costs will also be a factor in evaluating applications. The cost realism analysis is intended to meet the following three goals:

- a) verify the Applicant's understanding of the requirements and regulations;
- b) assess the degree to which the cost proposal reflects the approaches in the technical application; and;
- c) assess the degree to which the cost included in the cost proposal accurately represents the work effort included in the technical application.

**2. Cost Sharing**

**5 points**

The cost share can be proposed in a form of: (i) Use and value of volunteers.(ii) Provision and value of training materials, (iii) Costs covered (related to study tours, attendance at conferences...), etc.

Cost sharing will be assessed based on:

- a) the percentage of program costs that the applicant will draw from non-US Government sources;
- b) the ability of the applicant to realistically access these sources and funds and the feasibility of the cost sharing plan; and

For more information regarding cost share, refer to the following web sites:

<http://www.usaid.gov/pubs/sourcebook/usgov/uspv.html>

<http://www.usaid.gov/pubs/ads/300/303.htm#303.5.10>

**TOTAL = 100 points**

**END OF SECTION B**

## SECTION C - PROGRAM DESCRIPTION

### A. INTRODUCTION

As part of its efforts to develop Armenia's market economy USAID/Armenia plans to fund an activity that will continue to reform and develop Armenia's accounting and auditing infrastructure. Accounting information is the language of business. Without the ability to use accounting data as a basis for informed decision making, the impact of reforms in privatization, capital markets, banking and the tax regime would be negligible, at best. Conversely, the language of business in a command economy is nothing more than a statistical gathering tool for central planning purposes and proven to be of no value in a market economy. Generally speaking, an audit validates accounting information. This concept of validation did not exist in command economies since states were not held accountable to private investors, lenders, and enterprises (even if they existed).

USAID has been engaged in accounting reform in E&E since 1996. In all cases, as part of the general accounting reform strategy, USAID has established local accounting and auditing associations providing them with technical and financial assistance to ensure sustainability and to make the profession more self-regulated. USAID views professional associations as the principal drivers of accounting reform and development in E&E beyond the period of USAID assistance. By and large, USAID has been successful in laying the basis for a Western-style accounting infrastructure and legal framework in these countries, although most of the associations are still in their development phase and financially fragile. In order to address these weaknesses, USAID intends to bring in to Armenia the hands-on experience of a Western association with an aim at creating a long-term partnership between the implementing organization and the accounting and auditing association in Armenia. USAID will select a reputable organization that can realize the Partnership for Accounting Reform and Development (PARD) through the optimal participation of the Association of Accountants and Auditors of Armenia (AAAA), the Armenian self-regulatory organization (SRO) in this field.

The PARD activity will focus on (a) strengthening the sustainability of the professional accounting and auditing association in Armenia by creating a partnership with a Western association or associations; and (b) improving the quality of accounting and auditing curricula at higher educational institutions through cooperation with a partner university.

USAID/Armenia plans to implement this 24-month activity under a Cooperative Agreement. The Cooperative Agreement Partner (Implementing Partner) shall be a qualified Non-Governmental Organization (NGO) with a demonstrated ability (a) to create linkages with professional accounting and auditing associations with verifiable memberships of 25,000 or more; or (b) to mobilize a membership of 25,000 or more.

The estimated USAID contribution for this effort is around US\$1,700,000, with about a third of this amount to be used for grants, scholarships, salaries, and/or subsidies to Armenian accountants and auditors and selected universities, with the purpose being to further accounting reform and development in Armenia. USAID/Armenia seeks an implementing partner that can share the cost of this Cooperative Agreement in the form of financial and/or in-kind contributions. In-kind contributions may include but are not limited to association members' volunteered time in conducting training and/or developing training materials. While a fixed level of cost sharing is not required, points shall be awarded (as explained in Section III, Application Review and Evaluation Process) for applications that include this component.

The Implementing Partner shall be responsible for managing this activity and achieving a specific set of objectives designed to upgrade the professional competency of accountants and auditors and the quality of accounting and auditing education at universities through partnerships. Although the objectives of such partnerships are clearly delineated, the Implementing Partner is asked to develop detailed activities and specific approaches to achieve these objectives.

### B. USAID'S STRATEGIC OBJECTIVE

**"Employment Opportunities Created"** is the Mission's overarching goal (a higher-level priority goal) under its 5-year Strategic Plan (FY 1999-2003). The relevant Strategic Objective (SO) is **"SO 1.3 ~~3~~ Growth of Competitive Private Sector."** The PARD project has been identified as a significant component of SO 1.3. This is based on USAID's

assessment that the adoption and implementation of international accounting and auditing standards are essential for assuring the transparency and efficiency of transactions by market participants.

The Intermediate Results (IRs), Lower Level IRs (LLIRs), and Performance Indicators (PIs) leading to the accomplishment of SO 1.3, as well as the overarching goal of Increased Employment and Income Opportunities, are identified below. The Implementing Partner shall be responsible for achieving these results over the next two years. Contenders are required to address the PIs listed below in their technical proposals. Additionally, the technical proposals may include recommendations for modification(s) to PIs, which must be submitted together with a performance monitoring and evaluation plan. All individual-level PI data shall be disaggregated by gender.

### **IR#3: Access to Financial Capital Increased**

#### **LLIR #3.3: Increased Credit to Targeted Sectors/Enterprises**

- Improved transparency of financial transactions and record-keeping by enterprises;
- Demonstrated ability of enterprises to effectively cost products and services; and
- Demonstrated ability of enterprises to develop business plans and cash-flow statements that accurately reflect their financial positions and include sensible projections.

### **IR#4: Increased Capacity of Private Enterprises to Conduct Business**

#### **LLIR #4.1: Improved Management Skills/Techniques**

- Demonstrated improvement in the curricula of selected (partnered) educational institutions for specialized studies in accounting/auditing;
- Increased numbers of qualified trainers in management skills and business techniques;
- Increased numbers of professional business consultants;
- Increased numbers of trained/certified accountants and financial managers; and
- Increased number of firms using International Accounting Standards (IAS).

#### **LLIR #4.3: Strengthened Business Advocacy/Associations**

- Increased advocacy by the AAAA and informed stakeholders to support accounting reform;
- Quantifiable gains from barriers overcome;
- Demonstrated improvement in the financial/technical sustainability of the AAAA; and
- Sustained growth in AAAA membership.

## **C. BACKGROUND**

USAID has been directly supporting accounting reform and development in Armenia for a little over two years through a task order under an Indefinite Quantity Contract, Omnibus II. During this time, USAID contractors have worked in Armenia to:

- 1) Promote the adoption of IAS;
- 2) Develop and implement the AAAA's training, testing, and certification program;
- 3) Begin the development of an educational reform program;
- 4) Support the adoption of International Auditing Standards;
- 5) Improve information-sharing and user awareness concerning accounting information; and

6) Most broadly, develop the AAAA's institutional capacity.

**C.1. International Accounting Standards:** Armenia's transition to IAS has been noteworthy. It is one of the three CIS countries to adopt IAS (without modification) as its National Accounting Standards (NAS). As of February, 28, 2001, there were 41 international accounting standards issued by the International Accounting Standards Committee (IASC) in London, of which seven were superseded, leaving 34 standards in effect. Armenia has adopted 33 of the 34 Standards. Currently, Armenia's NAS apply to over 3,000 open joint stock companies and banks. These standards will apply to all enterprises in Armenia over the next few years.

- AAAA, together with the Ministry of Finance and Economy (MFE), is working on developing simplified bookkeeping and tax accounting procedures for small businesses. It is not clear whether the GoAM will change the Accounting Law exempting small businesses from complying with the NAS. If granted, this exemption would alleviate the need for NAS by small businesses, allowing them to employ simplified bookkeeping procedures.
- Another need is to ensure that the processes of adopting, interpreting, and implementing accounting and auditing standards are carried out by one umbrella organization. Armenia is currently at the risk of having international standards regulated in a fractured manner, with different government entities regulating and supervising banks and private enterprises issuing regulations that may be mutually contradictory. It would be more efficient if there were a single entity responsible for adopting, interpreting, and issuing implementation guidance on international accounting and auditing standards (IAS/ISA). While the AAAA has been seriously supporting IAS/ISA interpretation, government authorities question its capacity to carry out this function and are skeptical about delegating this authority to AAAA. One possible solution would be for the Implementing Partner to assist the AAAA in establishing an independent body comprising members nominated by key standard-setting bodies [MFE, Central Bank of Armenia, Ministry of State Revenues (MSR), and Securities Commission of Armenia], as well as representatives of the AAAA, private accounting and auditing firms, and academia. Buy-in from key stakeholders, including donor organizations such as the World Bank and the International Monetary Fund, may help convince the government to delegate the IAS/ISA adoption, interpretation, and implementation process to such an independent body.
- With appropriate assistance, this independent body would be in a position to issue accounting policies governing small businesses, congruent with the corresponding Armenian law. The accounting policies for small businesses should be simplified to allow cash basis or tax basis accounting in order to alleviate undue bookkeeping burden. Another area that this independent body could tackle would be the preparation and dissemination of a book-to-tax reconciliation modeled after the Anglo-American corporate book-to-tax reconciliation, while ensuring the agreement and participation of the MSR in the process. If the MSR would cease requiring separate bookkeeping methodology and accounting records from tax-paying businesses, these enterprises could voluntarily convert to IAS with negligible or no assistance.

**C.2. Training and Certification:** Under the Omnibus II task order, the British ACCA program was put in place as a tool for retraining former-Soviet accounting and auditing practitioners. While this internationally recognized quality program offered several benefits, including a structured sequential study of the IAS/ISA and practices, very few students were able to successfully complete each phase of the program because of the difficulties involved (especially the time exigencies) in successfully completing each paper. As a result, the number of accountants produced was insufficient to meet the needs of the over 3,000 joint stock companies and banks that were required to be fully compliant with the IAS by January 1, 2001. Accordingly, training an adequate number of accountants to meet current market demand is a continuing challenge. The MFE, in cooperation with the AAAA, has launched a GoAM-endorsed certification program for accountants and auditors, which is based on the USAID-supported "AAAA Russian-language course based on the ACCA syllabus," although with less stringent requirements. This seems to be the only way to quickly meet the existing need for accountants in Armenia and these GoAM-sanctioned programs should not be discontinued. Rather, the MFE and AAAA should be encouraged to gradually upgrade the program's syllabus over the next two years so that it attains the level of the AAAA Russian language.

USAID has been supporting through scholarships students enrolled in both the British ACCA and AAAA Russian-language. In 1999, some 74 students took the exams for 115 papers; enrollment in 2000 increased to 220 students taking



the exams for 395 papers. The majority of these students received scholarships from an USAID-funded training contractor, which covered 70-90 percent of the registration fees. As of June 2001, seven students have passed the ACCA papers through #9 and 15 students have passed the AAAA Russian language course through #7. Effective December 2001, USAID will cease offering scholarships for taking the exams for the ACCA papers, in view of the negligible development impact of this program. USAID will, however, continue to support the translation, development, and deployment of the AAAA Russian-language course, including the material covered in ACCA Papers #10, #12, #13, and #14. Some of the upper-level material other than those in accounting or auditing, for example, ACCA Paper #12 (Management & Strategy) or ACCA Paper #14 (Financial Strategy), may not be offered. Instead, they may be replaced by more advanced accounting or audit courses developed or used elsewhere by USAID. A Russian-language paper based on the subject matter of ACCA Paper #11 (British Tax Planning) will not be developed or offered. Instead, a Russian-language course covering the material in ACCA Paper #7 (British Tax Framework) alone will replace the material covered in both ACCA Papers #7 and #11. Additionally, USAID has identified the following needs:

- Making the training program more self-sustaining — that is, reducing scholarships and increasing student contributions, and reducing costs by building a resident corps of trainers to replace expatriate instructors. While there are competent Armenian trainers for the Foundation Stage and some Certification Stage ACCA Papers, an expatriate has been teaching the higher level courses and assisting the Armenian trainers in both technical and methodological areas. There is also the need to develop an adequate pool of resident instructors for AAAA Russian language papers. Additionally, disparities in instructor compensation for those who deliver the same course need to be reduced to the extent possible.
- Training AAAA members and auditors in auditing practices — that is, audit program design, work paper preparation, review of internal control structure, substantive and control testing, work paper review, management letter comments, and other control measures for quality standards. Materials have been developed and used for this purpose by USAID contractors in Ukraine and Moldova, which could be used in this training component.
- Designing/delivering code of ethics training courses to AAAA members and instituting a mechanism for enforcing it. In designing training materials, the Implementing Partner should be aware that all of the training activity described here has been offered by other USAID accounting reform activities in one or more E&E countries and has been refined over time. Accordingly, the Implementing Partner should make every effort to obtain these materials from other USAID accounting reform activities so as to avoid unnecessary duplication of work.

**C.3. Educational Reform:** Universities have incorporated some of the ACCA materials (Papers #1, 3, 5, and 6) as textbooks for their existing courses and some of the faculty members were trained as part of the ACCA training program locally or in the U.K. But, a comprehensive curriculum reform has not taken place. Selected faculty members have been sent to the U.S. for training at universities under another task order, but the training activity did not create lasting partnerships. Local universities have often been motivated by a desire for financial gain or improvement in status, making the formation of lasting partnerships difficult. However, with USAID support, a number of partnerships have been formed in Ukraine, Moldova, and Macedonia. U.S. universities' lack of familiarity with the British ACCA program is not considered to be a significant barrier, as the underlying concepts are similar between the programs in the US and UK. Comprehensive curriculum reform is needed. This need could be met by the following:

- Forming a partnership with a western university (e.g. U.S., Canadian, U.K., etc.) — Through the proposed partnership, selected English-speaking resident faculty members would be sent abroad to a host university for semester-long training at subsidized rates and, in return, host university faculty members would conduct academic courses in Armenia.
- Importing accounting and auditing curriculum — Through the partnership, textbooks, teaching materials, and syllabi would be acquired from the host university and modified to meet local requirements, as needed. The Armenian faculty members could be responsible for the needed modifications.
- Promoting collaboration between practitioners and academics — A task force would be formed, comprising AAAA members (the AAAA Education Committee) and faculty members from selected Armenian universities to lead

collaboration efforts between practitioners and academics. Following International Federation of Accountants (IFAC) Education Guidelines, using the ACCA program for certifying accountants and auditors or for establishing appropriate accounting and auditing curricula will lead to the accumulation of the desired body of accounting/auditing knowledge.

**C.4. ISA:** The MFE and AAAA have accepted ISA as the national auditing standards their translation is almost complete. In spite of the imminent adoption of ISA, the likelihood of having a financial audit performed by an Armenian auditor in accordance with ISA is very slim. ISA financial audits are still within the almost exclusive domain of the “big-five” international accounting and auditing firms. Most of the demand for ISA financial audits comes from donors, multilateral lending agencies, or foreign investors who seek out “big-five” firms for such work. There is very little domestic demand for ISA financial audits. There are about 130 certified auditors in Armenia, who continue to perform Soviet-style statutory audits that add little or no value in today’s market place. Some ISA training has been provided under the Omnibus II task order, but Armenian statutory auditors still lack understanding and training in ISA practices and are ill-prepared to carry out audits pursuant to ISA provisions.

In addition to providing any needed support for the adoption of ISA, other areas of assistance might include the following:

- Supporting the AAAA and MOF in translating and printing the newly adopted IAS and/or revised versions.
- Supporting the AAAA in translating and publishing ISA, subject to IFAC approval— ISA translation into Russian is available through USAID’s regional activity., giving AAAA access to the Russian version. It may be more efficient to translate ISA from Russian into Armenian than from English into Armenian.

**C.5. Users of Information:** Under Omnibus II, task-order assistance was provided to 1,056 Armenian enterprises in their conversion from former Soviet practice to IAS. Of these, 27 enterprises were assisted in setting up cost accounting systems, although the impact of this conversion is unclear. While IAS-consistent financial statements and data are being generated, enterprise managers need a better understanding of how to apply financial information. One way of realizing this is through the following steps:

- Assisting a selected group of manufacturing and/or agricultural production and processing enterprises in the cost data gathering process— This process includes unit cost determination, and pricing and cost management. Rendering such assistance exclusively through AAAA is expected to build up the latter’s consulting service capacity.

**C.6. SRO Capacity Building:** The AAAA is the dominant professional accounting and auditing association in Armenia, albeit in its development stage. AAAA was established in October 1998 through the merger of the Republican Chamber of Auditors Associations and the Union of Certified Accountants. The AAAA was registered in April 1999 and has realized a number of accomplishments. These include: 1) recruiting 650 members and adopting a version of the IFAC code of ethics; 2) establishing mandatory continuing professional education; 3) maintaining training facilities with over 500 students enrolled in various stages of local or English-language certification courses of the Association of Chartered Certified Accountants; 4) submitting a membership application to IFAC; and 5) regularly consulting with the MFE and various universities to further accounting reform in Armenia.

Despite these successes, the AAAA is a relatively young organization, whose policies, procedures, and organizational structure have not been tested over time. Some of the areas requiring additional assistance and training include the following:

- Mobilizing and managing the membership base.
- Creating, administering, and diversifying effective training and affiliation programs. The AAAA has been discussing the possible absorption of the International Accountancy Training Center (IATC). The IATC was originally established with EU-Tacis assistance in 1998 under an agreement that was scheduled to end in August 2001. The IATC has been offering ACCA Foundation and Certification Stage Papers, along with some other courses it has developed itself. Its customers are largely university graduates, without backgrounds in accounting or auditing who

are looking for a career change. The core program requires a two-year full-time commitment. This program would complement AAAA's training program, which is targeted at practicing accountants and auditors and could be continued if IATC is absorbed by AAAA.

- Improving and increasing the scope of marketing and public relations activities by strengthening fund raising abilities, establishing ties with international organizations, creating revenues from sales of publications, and providing training and consulting services.
- Strengthening collaboration with the MFE in developing pro forma accounting journals, ledgers, and financial statements based on the new chart of accounts.
- Training selected AAAA members in in-depth costing. Technical supervision could be provided to assist in the process of cost accumulation, unit costing, pricing, and cost management for selected medium and large enterprises.
- Increasing international visibility by attaining membership in IFAC and hosting a regular meeting of the Eurasia Federation of Accountants and Auditors.

One of the primary objectives of this project is to ensure that the AAAA will be fiscally and managerially sustainable by the end of the program period. Any activities that implemented under the partnership should keep this precept in mind.

#### **D. PROPOSED ACTIVITIES**

Potential implementers are welcome to propose activities and targets that will allow achieving the below mentioned program goals and objectives and are driven from the activities mentioned in the background section. The proposed activities and targets will be carefully considered at the evaluation process.

#### **E. PROGRAM GOAL AND OBJECTIVES**

The PARD is envisioned as a private sector initiative between the AAAA and one or more parties for the purpose of increasing the impact of accounting reform and continuing accountancy reform and development in Armenia. The establishment of an SRO capable of providing leadership and support in the continuing development of accounting and auditing is a well-recognized need. This need is especially important in societies with ineffective governments and fragile rule of law. The AAAA has been a key implementing partner in USAID's efforts and has been identified as the primary vehicle through which USAID will continue to support accounting reform and development in Armenia. Despite its undoubted accomplishments, however, the AAAA is a young organization still financially and technically dependent on USAID support.

In building the AAAA's capacity to provide the services required for sustained accounting reform and development in Armenia, the Implementing Partner will serve its own interests in promoting high professional standards, providing training that meets IFAC Education Guidelines, gaining experience in international accounting reform activities, and building its own membership. For the purposes of this RFA, USAID will not attempt to define all the parameters of the partnership, but will focus on objectives directly relevant to promoting accounting reform in Armenia. However, under the applicable evaluation criteria, points will be awarded for the extent to which the partner organization gains from carrying out the activity and the extent to which the activity appears to meet that organization's objectives.

The objectives of the activity include:

D.1. To strengthen and support the AAAA's professional training, testing, and certification programs for accountants and Certified Auditors.

D.2. To strengthen the AAAA's organizational capacity to efficiently and effectively provide services to its membership.

D.3. To support and promote the adoption and implementation of a curriculum based on IFAC Education Guidelines at the Institute of National Economy and the Armenian Agricultural Academy.

D.4. To support the AAAA and MFE in adopting, interpreting, and implementing ISA, including an appropriate audit law.

D.5. To support the AAAA in establishing a body, comprised of the major regulators, accounting and auditing firms, researchers, and users of accounting information, and capable of providing leadership in adopting, interpreting, and supporting the implementation of accounting and auditing standards.

D.6. To support the AAAA in establishing basic consulting capacity by working with selected members on the cost accumulation process, unit cost determination, and pricing and cost management for selected medium to large manufacturing and/or agricultural production and processing enterprises.

D.7. To provide financial support to the AAAA and promote its ability to form international and regional liaisons.

One of the project's primary objectives is to ensure that the AAAA will be fiscally and managerially sustainable by the end of the program period. The following may be used as a set of illustrative guides in developing budgets:

- The primary form of fiscal support that USAID currently provides to the AAAA is scholarships to students enrolled in the AAAA's certification training courses. While this scholarship program should be continued, it must include a well-defined exit strategy. Local costs for the scholarship program over the next two years will be approximately \$300,000.
- Other forms of subsidies to the AAAA should be based on specific projects with well-defined cost centers and should be aimed at boosting the AAAA's medium- and long-term revenue (e.g., special courses, publications, membership fees, and fundraising). Approximately \$50,000 may be allocated for this purpose.
- The provision of support for establishing non-commercial partnerships with universities, building teaching skills, and acquiring training and teaching materials should be treated as a stand-alone activity. Approximately \$100,000 may be allocated for this purpose.
- The Implementing Partner will be required to pay special attention to the implementation of IAS, recognizing that this may require structural changes with attendant operating costs. Any plan to address these issues should carefully consider long-term operating costs and the attendant income from certification fees. Approximately \$50,000 may be allocated for this purpose.

The AAAA has agreed to fully support the proposed partnership. It will provide office space and equipment to the Implementing Partner and is committed to making the best use of the capacity building assistance that the latter will provide. The AAAA views the Implementing Partner as a key strategic player in the organization's growth and is willing to allow it certain voting rights, if necessary.

## **F. RELATED USAID AND OTHER DONOR ACTIVITIES**

The PARD is closely related to a number of USAID activities including Banking Supervision, Capital Markets Development, Tax, Fiscal, and Customs Reform, Energy Sector Restructuring, Privatization, and so on. An especially relevant activity is the NGO Strengthening program, which focuses on strengthening management and improving service delivery to attract new members at such organizations. Some of these activities have already developed links with the AAAA. The Implementing Partner should work closely with the NGO Strengthening program and the other programs listed above both to support its own objectives and to ensure that the other activities are implemented in a manner that is supportive of best practices in international accounting and auditing.

## **G. EXPECTED RESULTS**

The objectives of the partnership were clearly outlined in Section D. However, the specific activities and approaches to achieving the outlined objectives are left to the Implementing Partner to propose in its technical proposal. The description of the proposed activities shall clearly demonstrate how they contribute to the realization of the outlined objectives.

Within 45 days after mobilization, the Implementing Partner will provide a detailed monitoring and evaluation plan that includes performance indicators and targets for the duration of the activity. Quantitative performance targets (e.g., increases in dues paying members, training pass rates, and fiscal sustainability measurements) as well as qualitative performance targets or major milestones (acceptance to IFAC, curricula adoption, and the establishment of IAS interpretive bodies) shall be included in the plan. Upon review and approval by USAID/Armenia, the Implementing Partner shall proceed to achieve the approved targeted results.

Note: Where appropriate, the Partner shall gather baseline data, including gender-disaggregated data, for indicators and targets that track results at the individual (person) level.

## **H. USAID’S SUBSTANTIAL INVOLVEMENT**

USAID/Armenia considers the PARD to be an integral part of its overall objective of growth of a competitive private sector. Given that USAID manages several related programs, which together need to bring the desired outcomes, USAID/Armenia will be substantially involved in aspects of this activity. USAID and the Implementing Partner shall work together throughout the planning, implementation, monitoring, and evaluation of this activity in a full and cooperative partnership. To ensure continuous dialogue, USAID’s substantial involvement will be as follows:

1. **Approval of annual implementation plans:** The initial one-year implementation plan will be submitted as part of the technical proposal. Before the initiation of year 2 activities, USAID will approve an updated workplan.
2. **Approval of all expatriate personnel:** USAID will approve the personnel filling those positions considered to be essential to the successful implementation of the award (the COP and Deputy COP, and any expatriate TA providers that will be in the field for a continuous period of more than one month).
3. **Collaboration, joint participation, and/or substantial involvement in the processes leading to the following:**
  - Approval of the performance monitoring/evaluation plan and performance indicators;
  - Approval of international travel (including selection of participants for training, study tours, etc.) funded under the activity; and
  - Approval of payments to and on behalf of the AAAA.

## **I. REPORTS AND EVALUATIONS**

Reports shall be in accordance with 22 CFR 226.50-52 and include the following:

- 1) Final report submitted within 90 days of the end of the program that will include, at a minimum the following:
  - An assessment and analysis of the efficiency, effectiveness, and viability of the program;
  - Results of the performance monitoring completed according to the approved plan;
  - Future objectives, activities, and modalities of the partnership.
- 2) Quarterly performance reports submitted 30 days after the end of each of USAID’s quarters (January-March, April-June, July-September, October-December), which will include at a minimum:
  - Progress towards objectives for the reporting period;
  - Summary of activities during the reporting period;

- Summary of any obstacles or issues affecting program implementation and ways in which the grantee has addressed or intends to address them; and
- Planned activities for the next reporting period.

## **J. LOGISTICS AND KEY PERSONNEL**

**Logistics:** The Implementing Partner shall maintain an in-country office, responsible for all equipment, transportation arrangement, and all other logistic support. AAAA shall provide fully furnished offices for two people.

**Key Personnel:** One long-term expatriate expert is essential for the success of the program supported by short-term expatriate experts, as and when needed. The long-term expert will be the Chief of Party and should possess demonstrated technical knowledge and ability in E&E accounting reform and development, technical assistance project management, and professional accounting and auditing association development. All expatriate experts shall be Certified Public Accountants, Chartered Accountants, Certified Management Accountants, Fellows of the Association of Certified Chartered Accountants, Certified General Accountants, and/or Certified Internal Auditors from the US, Canada, or an EU country, thoroughly familiar with IAS, ISA, and former Soviet accounting practices.

END OF SECTION C

## **SECTION D**

### **U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT CERTIFICATIONS, ASSURANCES, AND OTHER STATEMENTS OF RECIPIENT [1][2]**

#### **PART I - CERTIFICATIONS AND ASSURANCES**

##### **1. ASSURANCE OF COMPLIANCE WITH LAWS AND REGULATIONS GOVERNING NON-DISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS**

(a) The recipient hereby assures that no person in the United States shall, on the bases set forth below, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity receiving financial assistance from USAID, and that with respect to the grant for which application is being made, it will comply with the requirements of:

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d), which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance;

(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance;

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds;

(4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and

(5) USAID regulations implementing the above nondiscrimination laws, set forth in Chapter II of Title 22 of the Code of Federal Regulations.

(b) If the recipient is an institution of higher education, the Assurances given herein extend to admission practices and to all other practices relating to the treatment of students or clients of the institution, or relating to the opportunity to participate in the provision of services or other benefits to such individuals, and shall be applicable to the entire institution unless the recipient establishes to the satisfaction of the USAID Administrator that the institution's practices in designated parts or programs of the institution will in no way affect its practices in the program of the institution for which financial assistance is sought, or the beneficiaries of, or participants in, such programs.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the recipient by the Agency, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the recipient.

##### **2. CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

###### **(a) Instructions for Certification**

(1) By signing and/or submitting this application or grant, the recipient is providing the certification set out below.

(2) The certification set out below is a material representation of fact upon which reliance was placed when the agency determined to award the grant. If it is later determined that the recipient knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

(3) For recipients other than individuals, Alternate I applies.

(4) For recipients who are individuals, Alternate II applies.

(b) Certification Regarding Drug-Free Workplace Requirements

Alternate I

(1) The recipient certifies that it will provide a drug-free workplace by:

(A) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the applicant's/grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(B) Establishing a drug-free awareness program to inform employees about--

1. The dangers of drug abuse in the workplace;
2. The recipient's policy of maintaining a drug-free workplace;
3. Any available drug counseling, rehabilitation, and employee assistance programs; and
4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(C) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (b)(1)(A);

(D) Notifying the employee in the statement required by paragraph (b)(1)(A) that, as a condition of employment under the grant, the employee will--

1. Abide by the terms of the statement; and
2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;

(E) Notifying the agency within ten days after receiving notice under subparagraph (b)(1)(D)1. from an employee or otherwise receiving actual notice of such conviction;

(F) Taking one of the following actions, within 30 days of receiving notice under subparagraph (b)(1)(D)2., with respect to any employee who is so convicted--

1. Taking appropriate personnel action against such an employee, up to and including termination; or



2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(G) Making a good faith effort to continue to maintain a drug- free workplace through implementation of paragraphs (b)(1)(A), (b)(1)(B), (b)(1)(C), (b)(1)(D), (b)(1)(E) and (b)(1)(F).

(2) The recipient shall insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

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#### Alternate II

The recipient certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in conducting any activity with the grant.

### 3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS [3]

#### (a) Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.

3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meaning set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. [4] You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," [5] provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the methods and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealing.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

(b) Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, the it and its principals:

(A) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(B) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(C) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(B) of this certification;

(D) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

#### 4. CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or

employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, United States Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### 5. Prohibition on Assistance to Drug Traffickers for Covered Countries and Individuals (ADS 206)

USAID reserves the right to terminate this [Agreement/Contract], to demand a refund or take other appropriate measures if the [Grantee/ Contractor] is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certification are required for Key Individuals or Covered Participants.

If there are COVERED PARTICIPANTS: USAID reserves the right to terminate assistance to, or take or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.

#### 6. CERTIFICATION OF RECIPIENT

The recipient certifies that it has reviewed and is familiar with the proposed grant format and the regulations applicable thereto, and that it agrees to comply with all such regulations, except as noted below (use a continuation page as necessary):

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Solicitation No. \_\_\_\_\_

Application/Proposal No. \_\_\_\_\_

Date of Application/Proposal \_\_\_\_\_

Name of Recipient \_\_\_\_\_

Typed Name and Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

[1] FORMATS: Rev. 06/16/97 (ADS 303.6, E303.5.6a) [2] When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement". [3] The recipient must obtain from each identified subgrantee and (sub)contractor, and submit with its application/proposal, the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Transactions, set forth in Attachment A hereto. The recipient should reproduce additional copies as necessary. [4] See ADS Chapter E303.5.6a, 22 CFR 208, Annex1, App A. [5] For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the grant standard provision entitled "Debarment, Suspension, and Related Matters" if the recipient is a U.S. nongovernmental organization, or in the grant standard provision entitled "Debarment, Suspension, and Other Responsibility Matters" if the recipient is a non-U.S. nongovernmental organization.

## PART II - OTHER STATEMENTS OF RECIPIENT

### 1. AUTHORIZED INDIVIDUALS

The recipient represents that the following persons are authorized to negotiate on its behalf with the Government and to bind the recipient in connection with this application or grant:

Name	Title	Telephone No.	Facsimile No.
<hr/>			
<hr/>			
<hr/>			

### 2. TAXPAYER IDENTIFICATION NUMBER (TIN)

If the recipient is a U.S. organization, or a foreign organization which has income effectively connected with the conduct of activities in the U.S. or has an office or a place of business or a fiscal paying agent in the U.S., please indicate the recipient's TIN:

TIN: \_\_\_\_\_

### 3. CONTRACTOR IDENTIFICATION NUMBER - DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER

(a) In the space provided at the end of this provision, the recipient should supply the Data Universal Numbering System (DUNS) number applicable to that name and address. Recipients should take care to report the the number that identifies the recipient's name and address exactly as stated in the proposal.

(b) The DUNS is a 9-digit number assigned by Dun and Bradstreet Information Services. If the recipient does not have a DUNS number, the recipient should call Dun and Bradstreet directly at 1-800-333-0505. A DUNS number will be provided immediately by telephone at no charge to the recipient. The recipient should be prepared to provide the following information:

- (1) Recipient's name.
- (2) Recipient's address.
- (3) Recipient's telephone number.
- (4) Line of business.
- (5) Chief executive officer/key manager.
- (6) Date the organization was started.
- (7) Number of people employed by the recipient.
- (8) Company affiliation.

(c) Recipients located outside the United States may obtain the location and phone number of the local Dun and Bradstreet Information Services office from the Internet Home Page at <http://www.dbisna.com/dbis/customer/custlist.htm>. If an offeror is unable to locate a local service center, it may send an e-mail to Dun and Bradstreet at [globalinfo@dbisma.com](mailto:globalinfo@dbisma.com).

The DUNS system is distinct from the Federal Taxpayer Identification Number (TIN) system.

DUNS: \_\_\_\_\_

4. LETTER OF CREDIT (LOC) NUMBER

If the recipient has an existing Letter of Credit (LOC) with USAID, please indicate the LOC number:

LOC: \_\_\_\_\_

5. PROCUREMENT INFORMATION

(a) Applicability. This applies to the procurement of goods and services planned by the recipient (i.e., contracts, purchase orders, etc.) from a supplier of goods or services for the direct use or benefit of the recipient in conducting the program supported by the grant, and not to assistance provided by the recipient (i.e., a subgrant or subagreement) to a subgrantee or subrecipient in support of the subgrantee's or subrecipient's program. Provision by the recipient of the requested information does not, in and of itself, constitute USAID approval.

(b) Amount of Procurement. Please indicate the total estimated dollar amount of goods and services which the recipient plans to purchase under the grant:

\$ \_\_\_\_\_

(c) Nonexpendable Property. If the recipient plans to purchase nonexpendable equipment which would require the approval of the Agreement Officer, please indicate below (using a continuation page, as necessary) the types, quantities of each, and estimated unit costs. Nonexpendable equipment for which the Agreement Officer's approval to purchase is required is any article of nonexpendable tangible personal property charged directly to the grant, having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Type/Description(Generic)	Quantity	Estimated Unit Cost
-----	-----	-----

(d) Source, Origin, and Componentry of Goods. If the recipient plans to purchase any goods/commodities which are not of U.S. source and/or U.S. origin, and/or does not contain at least 50% componentry which are not at least 50% U.S. source and origin, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, and probable source and/or origin, to include the probable source and/or origin of the components if less than 50% U.S. components will be contained in the commodity. "Source" means the country from which a commodity is shipped to the cooperating country or the cooperating country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse. Any commodity whose source is a non-Free World country is ineligible for USAID financing. The "origin" of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when, through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results, which is substantially different in basic characteristics or in purpose or utility from its components. Merely packaging various items together for a particular procurement or relabeling items does not constitute production of a commodity. Any commodity whose origin is a non-Free World country is ineligible for USAID financing. "Components" are the goods which go directly into the production of a produced commodity. Any component from a non-Free World country makes the commodity ineligible for USAID financing.

Type/Description (Generic)	Quantity	Estimated Unit Cost	Goods	Components	Probable Source
-----	-----	-----	-----	-----	-----

Goods	Components	Probable Origin
-----	-----	-----

(e) Restricted Goods. If the recipient plans to purchase any restricted goods, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, intended use, and probable source and/or origin. Restricted goods are Agricultural Commodities, Motor Vehicles, Pharmaceuticals, Pesticides, Rubber Compounding Chemicals and Plasticizers, Used Equipment, U.S. Government-Owned Excess Property, and Fertilizer.

Type/Description (Generic)	Quantity	Estimated Unit Cost	Probable Source	Probable Origin	Intended Use
-----	-----	-----	-----	-----	-----

(f) Supplier Nationality. If the recipient plans to purchase any goods or services from suppliers of goods and services whose nationality is not in the U.S., please indicate below (using a continuation page, as necessary) the types and quantities of each good or service, estimated costs of each, probable nationality of each non-U.S. supplier of each good or service, and the rationale for purchasing from a non-U.S. supplier. Any supplier whose nationality is a non-Free World country is ineligible for USAID financing.

Type/Description (Generic)	Quantity	Estimated Unit Cost	Probable Supplier Nationality (Non-U.S. Only)	Rationale for non-U.S.
-----	-----	-----	-----	-----

(g) Proposed Disposition. If the recipient plans to purchase any nonexpendable equipment with a unit acquisition cost of \$5,000 or more, please indicate below (using a continuation page, as necessary) the proposed disposition of each such item. Generally, the recipient may either retain the property for other uses and make compensation to USAID (computed by applying the percentage of federal participation in the cost of the original program to the current fair market value of the property), or sell the property and reimburse USAID an amount computed by applying to the sales proceeds the percentage of federal participation in the cost of the original program (except that the recipient may deduct from the federal share \$500 or 10% of the proceeds, whichever is greater, for selling and handling expenses), or donate the property to a host country institution, or otherwise dispose of the property as instructed by USAID.

Type/Description(Generic)	Quantity	Estimated Unit Cost	Proposed Disposition
-----	-----	-----	-----

## 6. PAST PERFORMANCE REFERENCES

On a continuation page, please provide a list of the ten most current U.S. Government and/or privately-funded contracts, grants, cooperative agreements, etc., and the name, address, and telephone number of the Contract/Agreement Officer or other contact person.

## 7. TYPE OF ORGANIZATION

The recipient, by checking the applicable box, represents that -

(a) If the recipient is a U.S. entity, it operates as ☐ a corporation incorporated under the laws of the State of, ☐ an individual, ☐ a partnership, ☐ a nongovernmental nonprofit organization, ☐ a state or local governmental organization, ☐ a private college or university, ☐ a public college or university, ☐ an international organization, or ☐ a joint venture; or

(b) If the recipient is a non-U.S. entity, it operates as ☐ a corporation organized under the laws of \_\_\_\_\_(country), ☐ an individual, ☐ a partnership, ☐ a nongovernmental nonprofit organization, ☐ a nongovernmental educational institution, ☐ a governmental organization, ☐ an international organization, or ☐ a joint venture.

## 8. ESTIMATED COSTS OF COMMUNICATIONS PRODUCTS

The following are the estimate(s) of the cost of each separate communications product (i.e., any printed material [other than non-color photocopy material], photographic services, or video production services) which is anticipated under the grant. Each estimate must include all the costs associated with preparation and execution of the product. Use a continuation page as necessary.



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND  
VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS**

(a) Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, has the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. 1/ You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier covered Transaction," 2/ without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non procurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

(b) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Solicitation No. \_\_\_\_\_

Application/Proposal No. \_\_\_\_\_

Date of Application/Proposal \_\_\_\_\_

Name of Applicant/Subgrantee \_\_\_\_\_

Typed Name and Title \_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_

1/ See ADS Chapter 303, 22 CFR 208.

2/ For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the USAID grant standard provision for U.S. nongovernmental organizations entitled "Debarment, Suspension, and Related Matters" (see ADS Chapter 303), or in the USAID grant standard provision for non-U.S. nongovernmental organizations entitled "Debarment, Suspension, and Other Responsibility Matters" (see ADS Chapter 303).

## KEY INDIVIDUAL CERTIFICATION NARCOTICS OFFENSES AND DRUG TRAFFICKING

I hereby certify that within the last ten years:

1. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.
2. I am not and have not been an illicit trafficker in any such drug or controlled substance.
3. I am not and have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date of Birth: \_\_\_\_\_

### NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain key individuals of organizations must sign this Certification.
2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

## PARTICIPANT CERTIFICATION NARCOTICS OFFENSES AND DRUG TRAFFICKING

1. I hereby certify that within the last ten years:

a. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.

b. I am not and have not been an illicit trafficker in any such drug or controlled substance.

c. I am not or have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

2. I understand that USAID may terminate my training if it is determined that I engaged in the above conduct during the last ten years or during my USAID training.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date of Birth: \_\_\_\_\_

### NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain participants must sign this Certification.

2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

FORMATS: Rev. 06/16/97 (ADS 303.6, E303.5.6a) When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement". The recipient must obtain from each identified subgrantee and (sub)contractor, and submit with its application/proposal, the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Transactions, set forth in Attachment A hereto. The recipient should reproduce additional copies as necessary. See ADS Chapter E303.5.6a, 22 CFR 208, Annex1, App A. For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the grant standard provision entitled "Debarment, Suspension, and Related Matters" if the recipient is a U.S. nongovernmental organization, or in the grant standard provision entitled "Debarment, Suspension, and Other Responsibility Matters" if the recipient is a non-U.S. nongovernmental organization.

**APPLICATION FOR  
FEDERAL ASSISTANCE**

1. TYPE OF SUBMISSION:		2. DATE SUBMITTED	Applicant Identifier
Application ____ Construction  ____ Non-Construction	Preapplication ____ Construction  ____ Non-Construction	3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICATION INFORMATION			
<b>Legal Name:</b>		<b>Organizational Unit</b>	
Address (give only county, state, and zip code):		Name and telephone number of person to be contacted on matters involving this application (give area code)	
6. EMPLOYER IDENTIFICATION NUMBER (EIN):		7. TYPE OF APPLICATION: (enter appropriate letter in box).... <input type="text"/>	
8. TYPE OF APPLICATION  ____ New                      ____ Continuation                      ____ Revision  If Revision, enter appropriate letter(s) in box(es)..... <input type="text"/> A. Increase Award                      D. Decrease Duration B. Decrease Award                      E. Other (specify): C. Increase Duration		A. State                      H. Independent School Dist B. County                      I. State Controlled Institution of Higher Learning C. Municipal                      J. Indian Tribe D. Township                      K. Individual E. Interstate                      L. Profit Organization F. Intermunicipal                      M. Other (specify) G. Special Dist.	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:		9. NAME OF FEDERAL AGENCY	
TITLE:		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:	
12. AREAS AFFECTED (Cities, Counties, States, etc.):			
13. PROPOSED PROJECT		14. CONGRESSIONAL DISTRICTS OF:	
START DATE	END DATE	a. Applicant	b. Project
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$	a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS REVIEW ON:	
b. Applicant	\$		

c. State	\$	DATE B. NO. _____ PROGRAM IS NOT COVERED BY E.O. 12372 _____ OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$		
e. Other	\$		
f. Program Income	\$		
g. TOTAL	\$		
17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? _____ Yes If "Yes", attach an _____ No explanation			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRU AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Type Name of Authorized Representative		b. Title	c. Telephone Number
d. Signature of Authorized Representative			e. Date Signed

**Previous Edition usable**  
**Authorized for Local Representative**

**Standard Form 424 (REV 4-92)**  
**Prescribed by OMB Circular A-102**

## INSTRUCTIONS FOR THE SF 424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET, SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

This is a standard form used by applicants as a required facesheet for preapplications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

- | Item: | Entry:   | Item: | Entry:  |
|-------|--|-------|---|
| 1.    | Self-explanatory.  | 9.    | Name of Federal agency from which assistance is being requested with this application.  |
| 2.    | Date application submitted to Federal agency (or State if applicable) & applicant's control number (if applicable).  | 10.   | Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.   |
| 3.    | State use only (if applicable).  | 11.   | Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.   |
| 4.    | If this application is to continue or revise an existing award, enter present Federal identifier number. If for a new project, leave blank.  | 12.   | List only the largest political entities affected (e.g., State, counties, cities).  |
| 5.    | Legal name of applicant, name of primary organizational unit which will undertake the assistance activity, complete address of the applicant, and the name and telephone number of the person to contact on matters related to this application.   | 13.   | Self-explanatory.   |
| 6.    | Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.  | 14.   | List the applicant's Congressional District and any District(s) affected by the program or project.   |
| 7.    | Enter the appropriate letter in the space provided.  | 15.   | Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate only the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15. |
| 8.    | Check appropriate box and enter appropriate letter(s) in the space(s) provided:<br><br>- "New" means a new assistance award.<br><br>- "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date.<br><br>- "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation. |       |   |

#### **INSTRUCTIONS FOR THE SF 424 (continued)**

16. Applications should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernment review process.
17. This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances loans and taxes.
18. To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)

**Standard Form 424A**

OMB Approval No. 0348-0044

**Budget Information - Non-Construction Programs**



SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity {a}	Catalog of Federal Domestic Assistance Number {b}	Estimated Unobligated Funds		New or Revised Budget		
		Federal {c}	Non-Federal {d}	Federal {e}	Non-Federal {f}	Total {g}
1.	\$	\$	\$	\$	\$	\$
2.						
3.						
4.						
5.TOTALS	\$	\$	\$	\$	\$	\$
SECTION B - BUDGET CATEGORIES						
6. Object Class Categories		Grant Program, Function or Activity				Total {g}
		{1}	{2}	{3}	{4}	
a. Personnel		\$	\$	\$	\$	\$
b. Fringe Benefits						
c. Travel						
d. Equipment						
e. Supplies						
f. Contractual						
g. Construction						
h. Other						
i. Total Direct Charges (sum of 6a-6h)						
j. Indirect Charges						
k. TOTALS (sum of 6i and 6j)		\$	\$	\$	\$	\$
7. Program Income		\$	\$	\$	\$	\$

**STANDARD FORM 424A (cont'd)**

<b>SECTION C - NON-FEDERAL RESOURCES</b>						
(a) Grant Program		(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8.		\$	\$	\$	\$	
9.						
10						
11						
12. TOTAL (sum of lines 8-11)		\$	\$	\$	\$	
<b>SECTION D - FORECASTED CASH NEEDS</b>						
13. Federal		Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th quarter
		\$	\$	\$	\$	\$
14. Non-Federal						
15. TOTAL (sum of lines 13 and 14)						
<b>SECTION E – BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT</b>						
(a) Grant Program		Future Funding Periods				
		(b) First	(c) Second	(d) Third	(e) Fourth	
16.		\$	\$	\$	\$	
17.						
18.						
19.						
20. TOTAL (sum of lines 16-19)		\$	\$	\$	\$	
<b>SECTION F - OTHER BUDGET INFORMATION</b>						
21. Direct Charges:		22. Indirect Charges:				
23. Remarks:						

**Standard Form 424A (cont'd.)**  
**INSTRUCTIONS FOR THE SF 424A**

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Public reporting burden for this collection of information is estimated to average 180 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget. Paperwork Reduction Project (0348-0044), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET, SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

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## General Instructions

This form is designed so that application can be made for funds from one or more grant programs. In preparing the budget, adhere to any existing Federal grantor agency guidelines which prescribe how and whether budgeted amounts should be separately show for different functions or activities within the program. For some programs, grantor agencies may require budgets to be separately shown by function or activity. For other programs, grantor agencies may require a breakdown by function or activity. Sections A, B, C and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the latter case, Section A, B, C and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a-k of Section B.

### Section A. Budget Summary Lines 1-4 Columns (a) and (b)

For applications pertaining to a *single* Federal grant program (Federal Domestic Assistance Catalog number) and *not requiring* a functional or activity breakdown, enter on Line 1 under Column (a) the catalog program title and the catalog number in Column (b).

For applications pertaining to a *single* program *requiring* budget amounts by multiple functions or activities, enter the name of each activity or function on each line in Column (a), and enter the catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the catalog program title on each line in *Column (a)* and the respective catalog number on each line in Column (b).

For applications pertaining to *multiple* programs where one or more programs require a breakdown by function or activity, prepare a separate sheet for each program requiring

the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should provide the summary totals by programs.

#### Lines 1-4, Columns (c) through (g)

For *new applications*, leave Columns (c) and (d) blank. For each line entry in Columns (a) and (b), enter in Columns (e), (f), and (g) the appropriate amounts of funds

needed to support the project for the first funding period (usually a year).

For *continuing grant program applications*, submit these forms before the end of each funding period as required by the grantor agency. Enter in Column (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the Federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in Columns (e) and (f).

For *supplemental grants and changes* to existing grants, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase of non-Federal funds. In Column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of amounts in Columns (e) and (f).

**Line 5** - Show the totals for all columns used.

**Standard Form 424A (cont'd.)**

**INSTRUCTIONS FOR THE SF 424A (continued)**

**Section B. Budget Categories**

In the column headings (1) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4, Column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and non-Federal) by object class categories.

**Lines 6a-i** - Show the totals of Lines 6a to 6h in each column.

**Line 6j** - Show the amount of indirect cost.

**Line 6k** - Enter the total of amounts on Lines 6i and 6j. For all applications for new grants and continuation grants the total amount in column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.

**Line 7** - Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount. Show under the program narrative statement the nature and source of income. The estimated amount of program income may be considered by the federal grantor agency in determining the total amount of the grant.

**Section C. Non-Federal Resources**

**Lines 8-11** - Enter amounts of non-Federal resources that will be used on the grant. If in-kind contributions are included, provide a brief explanation on a separate sheet.

**Column (a)** - Enter the program titles identical to Column (a), Section A. A breakdown by function or activity is not necessary.

**Column (b)** - Enter the contribution to be made by the applicant.

**Column (c)** - Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants which are a State or State agencies should leave this column blank.

**Column (d)** - Enter the amount of cash and in-kind contributions to be made from all other sources.

**Column (e)** - Enter totals of Columns (b), (c), and (d).

**Line 12** - Enter the total for each of Columns (b)-(e). The amount in Column (e) should be equal to the amount on Line 5, Column (f) Section A.

**Section D. Forecasted Cash Needs**

**Line 13** - Enter the amount of cash needed by quarter from the grantor agency during the first year.

**Line 14** - Enter the amount of cash from all other sources needed by quarter during the first year.

**Line 15** - Enter the totals of amounts on Lines 13 and 14.

**Section E. Budget Estimates of Federal Funds Needed for Balance of the Project**

**Lines 16-19** - Enter in Column (a) the same grant program titles shown in Column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation grant applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing grants.

If more than four lines are needed to list the program titles, submit additional schedules as necessary.

**Line 20** - Enter the total for each of the Columns (b)-(e). When additional schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

**Section F. Other Budget Information**

**Line 21** - Use this space to explain amounts for individual direct object-class cost categories that may appear to be out of the ordinary or to explain the details as required by Federal grantor agency.

**Line 22** - Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

**Line 23** - Provide any other explanations or comments deemed necessary.

END OF SECTION VI